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ATTORNEYS AT LAW

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Office of Proceedings

JAN 12 2012

JOHN D. HEFFNER  
(202) 742-8607  
John.Heffner@strasburger.com

**BY HAND**

Part of  
Public Record

January 12, 2012

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MANAGEMENT  
STB

Ms. Cynthia A. Brown  
Chief of Administration, Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W.  
Washington, D.C. 20423-0001

231674

**RE: FD 35585, Iowa Pacific Holdings, LLC And  
Permian Basin Railways, Inc.—Continuance In Control—  
Southern San Luis Valley Railroad, LLC**

**FD 35586 Southern San Luis Valley Railroad, LLC  
—Acquisition And Operation Exemption**

**FILED**

JAN 12 2012

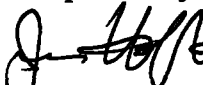
**SURFACE  
TRANSPORTATION BOARD**

Dear Ms. Brown:

On behalf of Iowa Pacific Holdings, LLC, and Permian Basin Railways, Inc., I am enclosing for filing in FD 35585, an original and ten copies of its Verified Petition for Exemption under 49 U.S.C. §10502 and 49 U.S.C. §11323 to continue in control of Southern San Luis Valley Railroad, a recently organized noncarrier. Additionally, on behalf of Southern Luis Valley Railroad I am submitting for filing in FD 35586 an original and ten copies of its Verified Notice of Exemption under 49 U.S.C. §10901 and 49 CFR §11150.31 to acquire and operate a line of railroad.

Please date stamp and return one copy of this letter along with a copy of each filing. I am enclosing with this letter a copy of each filing on a computer disk as well as two filing fee checks for \$9300 and \$1800, respectively.

Respectfully submitted,

  
John Heffner

**SEE RECEIVED**

JAN 12 2012

Enclosures

**TRANSPORTATION BOARD**

Strasburger & Price, LLP

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**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

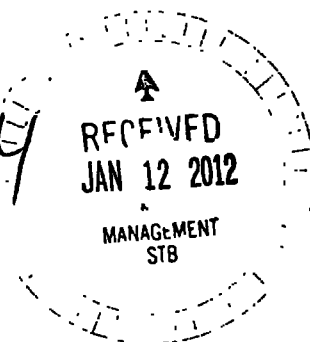
**FD 35586**

**SOUTHERN SAN LUIS VALLEY RAILROAD, LLC  
—ACQUISITION AND OPERATION EXEMPTION—**

**-----  
VERIFIED NOTICE OF EXEMPTION  
PURSUANT TO 49 U.S.C. §10901 and 49 CFR §1150.31**

**ORIGINAL**

231674



**FILED**  
JAN 12 2012  
SURFACE  
TRANSPORTATION BOARD

Submitted By:

John D. Heffner  
Strasburger & Price  
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Suite 640  
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Counsel for Petitioner

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**FILE RECEIVED**  
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TRANSPORTATION BOARD

Dated: January 12, 2012

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

**FD 35586**

**SOUTHERN SAN LUIS VALLEY RAILROAD, LLC  
—ACQUISITION AND OPERATION EXEMPTION—**

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**VERIFIED NOTICE OF EXEMPTION  
PURSUANT TO 49 U.S.C. §10901 and 49 CFR §1150.31**

Southern San Luis Valley Railroad, LLC (“SSLV”), a newly established limited liability company and a noncarrier, files this Notice of Exemption, pursuant to 49 C.F.R. Part 1150, Subpart D – Exempt Transactions, with the Surface Transportation Board (the “Board”) to permit it to acquire and restore to common carrier operation about 1.53 miles of dormant but unabandoned railroad track (“the Line”). Presently, the Line is owned by Iowa Pacific Holdings, LLC (“IPH”), a short line railroad holding company that indirectly owns SSLV and will be transferring the Line to SSLV in the very near future. The Line extends between a currently out of service connection with IPH subsidiary the San Luis & Rio Grande Railroad (“SLRG”) at MP 0.0 at Blanca, CO, and the Line’s terminus at MP 1.53 at McClintock, CO. Upon acquisition, SSLV intends to rehabilitate the Line to be

able to handle modern railroad equipment and heavier loadings and restore common carrier railroad service over it connecting with SLRG. A copy of a map depicting the Line is attached as Exhibit A.

**INFORMATION REQUIRED BY 49 CFR §1150.33**

**Name and Address of Applicant**

**49 CFR §1150.33(a)**

Southern San Luis Valley Railroad, LLC  
c/o Iowa Pacific Holdings, LLC  
118 South Clinton Street  
Suite 400  
Chicago, IL 60661

**Applicant's Representative**

**49 CFR §1150.33(b)**

John D. Heffner  
Strasburger & Price  
1700 K Street, N.W.  
Suite 640  
Washington, D.C. 20006  
(202) 742-8607

**Statement of Agreement**

**49 CFR §1150.33(c)**

SSLV has executed an agreement to acquire the Line from IPH in the very near future. It anticipates consummating this transaction once this notice becomes effective and the Board approves the concurrently filed petition for exemption for

common control of SSLV and SLRG by Permian Basin Railways (“PBR”) and its corporate parent, IPH.<sup>1</sup>

Operator of the Property

**49 CFR §1150.33(d)**

SSLV will provide all common carrier rail operations over the Line.

Brief Summary of Transaction

**49 CFR §1150.33(e)**

IPH is a short line railroad holding company that owns PBR, a noncarrier holding company that in turn owns six class I common carrier short line railroads operating in the United States and subject to the Board’s jurisdiction. IPH and PBR recently established SSLV as a limited liability company and noncarrier for the purpose of acquiring and operating the Line.

The Line is the last surviving remnant of a now defunct short line railroad company, the Southern San Luis Valley Railroad Company (“old SSLV”), that originally ran from a junction with UP’s predecessor-in-interest (the Denver & Rio Grande Western Railroad) at Blanca to its terminus in Jarosa, CO, a distance of

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<sup>1</sup> Docketed as FD 35585. Control of SLRG by PBR and indirectly by IPH was approved by the Board in Permian Basin Railways, Inc.—Acquisition of Control Exemption—San Luis & Rio Grande Railroad Company, Inc., FD 34799, STB served January 12, 2006. The Board has previously noted that IPH controls PBR which in turn controls SLRG. San Luis & Rio Grande Railroad—Continuance in Control Exemption—Saratoga and North Creek Railway, LLC, FD 35499, STB served June 1, 2011.

about 31 miles. The old SSLV appears to have been abandoned in stages with the result that the Line was eventually cut back to the northern-most 1.53 miles. The old SSLV finally suspended operations on that segment in 1996.<sup>2</sup> There is no evidence to indicate that the old SSLV obtained authority from the Interstate Commerce Commission or the Board to terminate service. While much of the railroad south of the surviving 1.53-mile segment was salvaged in stages, the right of way remains physically intact.<sup>3</sup> The track and right of way are still intact on the 1.53 mile segment that is the subject of this proceeding.

IPH acquired the right of way comprising the Line in 2007. At the time of its acquisition IPH believed in good faith that it was acquiring the right of way of a fully abandoned railroad that had not been operated for over ten years.<sup>4</sup> IPH acquired the right of way (but not the track material) from an unsophisticated local landowner named Richard Vrondock. A copy of the deed is attached to this filing

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<sup>2</sup> See, B.C.D. 00-62, *Employer Status, Southern San Luis Valley Railroad Company* (US Railroad Retirement Board coverage ruling, attached hereto as Exhibit B).

<sup>3</sup> See web article taken from Wikipedia, attached as Exhibit C.

<sup>4</sup> Under long standing agency precedent the acquisition of an abandoned railroad line is a real estate transaction not subject to Board approval jurisdiction. Common Carrier Status of States, State Agencies, 363 I.C.C. 132, 135 (1980), 1980 Lexis 73 at 7 and Hayfield Northern Railroad Co., Inc., Et Al, v. Chicago & North Western Transportation Co., 467 U.S. 625, 634 (1984).

as Exhibit D. It was only during the preparation of filings for submission to the Board that IPH learned that the Line had never been abandoned and that the 2007 acquisition was therefore subject to Board jurisdiction and approval.

The purpose of this transaction is to allow SSLV to acquire the Line's real estate from IPH and the track materials from Mr. Vrondock and restore it to common carrier operation. While no new construction will be required, SSLV intends to substantially rebuild the railroad right of way and track structure to handle modern railroad equipment and meet contemporary shipper requirements.<sup>5</sup> Once that work is completed, the Line will be capable of handling 286,000 lb. rail cars and heavy freight locomotives. Rather than transfer ownership and operations of the Line to SLRG, IPH has established SSLV as a separate limited liability company and a wholly owned subsidiary in order to insulate SLRG, IPH, and PBR from the business risks usually associated with start up enterprises. Upon consummation and rehabilitation, SSLV will begin serving one customer which

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<sup>5</sup> Under Board precedent no authority is required for a railroad to rehabilitate and/or improve trackage and facilities that it owns. City of Detroit v. Canadian National Ry. Co., et al., 9 I.C.C.2d 1208 (1993), aff'd sub nom. Detroit/Wayne County Port Authority v. ICC, 59 F.3d 1314 (D.C. Cir. 1995); City of Stafford, Texas v. Southern Pac. Transp. Co., FD 32395 (ICC served Nov. 8, 1994), aff'd, 69 F.3d 535 (5th Cir. 1995) cited in Missouri Central Railroad Company—Acquisition and Operation Exemption—Lines of Union Pacific Railroad Company, FD 35508, STB served Sept. 14, 1999, slip op. at 8, footnote 13.

will be shipping outbound steel scrap. Other commodities likely to move over the Line in the future will include construction aggregates, agricultural commodities, logs, and fertilizer.

### ARGUMENT IN SUPPORT OF EXEMPTION

SSLV seeks Board authorization of this transaction through a grant of this notice of exemption notwithstanding the fact that its indirect owner, IPH, had acquired the right of way comprising the Line in 2007 without authority. Granting this request would be consistent with prior Board and Interstate Commerce Commission precedent where a party had inadvertently and in good faith acquired a rail line without first seeking agency approval. *See, e.g.,* David W. Wulfson, Gary E. Wulfson, Lisa W. Cota, Richard C. Szuch, and Peter A. Szuch—Control Exemption—Clarendon & Pittsford Railroad Company, Green Mountain Railroad Corporation, and Vermont Railway, Inc., FD 33607, STB served Aug. 20, 1998 citing Kenosha Auto Transport Corp.—Control, 85 M.C.C. 731, 736 (1960)(where the agency belatedly approved an inadvertent acquisition of control without that party seeking prior approval), and Steuben County Industrial Development Agency—Acquisition Exemption—Line of Bath And Hammondsport Railroad Company, FD 32963, STB served July 15, 1997 (where the agency belatedly approved the inadvertent acquisition of a rail line without the purchaser initially



seeking its approval). When IPH acquired the Line's right of way from Richard Vrondock in 2007, it did not realize that it was acquiring a legally active, albeit long out of service, rail line. IPH sincerely doubts that Mr. Vrondock knew that the right of way he was selling was subject to Board jurisdiction as an active line of railroad or that he even knew about the existence of the Board as a federal regulatory agency having jurisdiction over railroads.

The Board in two recent interrelated proceedings<sup>6</sup> has addressed the regulatory responsibilities of a carrier acquiring an active rail line from a seller that had inadvertently purchased the line from a third party without seeking or obtaining Board authority for its acquisition. In North Shore, an existing class III short line rail carrier by that name, sought an exemption under the Board's class exemption procedures at 49 CFR §1150.41 to acquire a rail operating easement over an "active" rail line owned by PPL Susquehanna, LLC ("PPLS"), an electric utility. PPLS had previously acquired the line and right of way from the Pennsylvania Department of Transportation without realizing that it needed to obtain Board authority for that acquisition. Stating that North Shore's acquisition

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<sup>6</sup> North Shore Railroad Company-Acquisition And Operation Exemption-PPL Susquehanna, LLC, FD 35377, STB served April 26, 2011 (cited as "North Shore"), and PPL Susquehanna, LLC and Allegheny Electric Cooperative, Inc.-Acquisition Exemption-Pennsylvania Department of Transportation, FD 35576, STB served December 7, 2011.

filing lacked sufficient information to permit its proper evaluation, the Board held North Shore's notice of exemption in abeyance while requiring it to submit the requested data.<sup>7</sup> In response to Board request, PPL filed and the Board granted its belated request for an acquisition exemption.

SSLV and IPH believe that it would be contrary to the public interest to require the parties to "unscramble" this transaction with IPH reconveying the Line's right of way back to Mr. Vrondock and then seeking acquisition authority before reacquiring that right of way and the track only to sell it to SSLV (or for Mr. Vrondock to sell the reacquired right of way and track directly to SSLV). Furthermore, such a complicated transaction would not serve any public purpose or fulfill any goals of the nation's rail transportation policy. Unlike PPLS, Mr. Vrondock does not have a sophisticated knowledge of business or regulatory matters. Moreover, this transaction entails a negligible (1.53 miles) amount of railroad that currently handles no traffic. Unlike the facts in North Shore, this transaction does not involve the grant of a railroad operating easement over property owned by another party where that party could potentially undermine the

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<sup>7</sup> The Board required North Shore to submit a copy of the operating easement as well as any other documents relevant to its relationship with PPLS and to respond to certain questions. The purpose of the requested information was to enable the Board to determine whether North Shore's ability to carry out its common carrier obligation would be safeguarded.

railroad's ability to meet its common carrier obligation to shippers. It is a simple matter of correcting an inadvertent failure to comply with the law. And now that IPH and SSLV understand their legal obligations, these parties seek in good faith to obtain Board authorization for this transaction.<sup>8</sup>

**Other information required**

**(1) The name and address of the party acquiring the subject property:**

Southern San Luis Valley Railroad, LLC  
c/o Iowa Pacific Holdings, LLC  
118 South Clinton Street  
Suite 400  
Chicago, IL 60661

**(2) The proposed time schedule for consummation of the transaction:**

SSLV intends to consummate this transaction once the Board approves the related petition for continuance in control of SSLV filed by IPH and PBR and docketed as FD 35585.

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<sup>8</sup> Should the Board decide to do so, it could on its own motion exempt IPH's inadvertent 2007 acquisition of the Line. Southern Pacific Transp. Co.-Abandonment, 8 I.C.C.2d 495, 509 (1992)(where the former Interstate Commerce Commission chose not to require the transaction to be undone because the agency deemed it to be in the public interest and chose instead to exempt the previously unauthorized transactions on its own motion).

The mileposts of the subject property, including any branch lines

The Line extends between MP 0.0 at Blanca and its terminus at MP 1.53 at McClintock, CO.

The total route miles to be operated:

About 1.53 miles of railroad.

Related transactions

Concurrent with this filing, SSLV's corporate parents, IPH and PBR, are filing an individual petition for exemption for IPH through PBR to continue in control of SSLV and the other 6 common carrier short line railroads they presently control. That petition is docketed as FD 35585.

Map

**49 CFR §1150.33(f)**

A map depicting the railroad trackage to be acquired and operated is attached as Exhibit A.

Certificate of Carrier Classification     **49 CFR §1150.33(g)**

SSLV certifies that with this transaction its projected annual revenues will be less than \$5,000,000 annually. A certificate complying with the provisions of 49 CFR 1150.33(g) is attached as Exhibit E to this notice.

**Transactions Imposing Interchange Commitments 49 CFR §1150.33(h)**

Not applicable. There are no agreements applicable to the Line imposing any interchange commitments. The Line does not physically connect with any rail lines other than the contiguous line owned by affiliate SLRG.

**Disclosure of Intent to Transport Waste**

SSLV does not presently intend to provide facilities for the collecting, sorting, loading, unloading, transferring, or transporting of municipal solid waste or construction and demolition debris.

**Labor Protection**

The imposition of labor protective conditions is discretionary with the Board and no basis for their imposition here has been shown.

**Caption Summary 49 CFR §1150.4**

A caption summary in the prescribed form is attached as Exhibit F to this Notice.

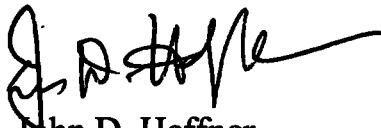
**Environmental and Historic Preservation Data 49 CFR §1105**

Pursuant to 49 CFR §1105.6(c) (2), the proposed transaction is exempt from environmental review under 49 CFR §1105(c) (2) (i), because the actions proposed

herein will not cause any operating changes that exceed the thresholds established in 49 CFR §1105.7(e) (4) or (5). More specifically, the amount of traffic anticipated will be in the range of one to two roundtrips per week, well below the Board's environmental threshold of four roundtrips per day in an attainment area or three roundtrips per day in a nonattainment area.

In addition, this transaction is exempt from historic review under 49 CFR §1105.8(b) (1) insofar as rail operations will continue (they will be restored) and there are no plans to abandon the Line or to dispose of or alter the properties subject to Board jurisdiction.

Submitted By:

A handwritten signature in black ink, appearing to read 'J. D. Heffner', with a long horizontal flourish extending to the right.

John D. Heffner  
Strasburger & Price  
1700 K Street, N.W.  
Suite 640  
Washington, D.C. 20006  
(202) 742-8607  
Counsel for Petitioner

Dated: January 12, 2012

# EXHIBIT A

# San Luis & Rio Grande Railroad

- SLRG / San Luis & Rio Grande Railroad / RGRS Rio Grande Scenic Railroad
- SLRG San Luis & Rio Grande Railroad
- SLRG Trackage Rights
- BNSF BNSF Railway
- SLC San Luis Central
- UP Union Pacific

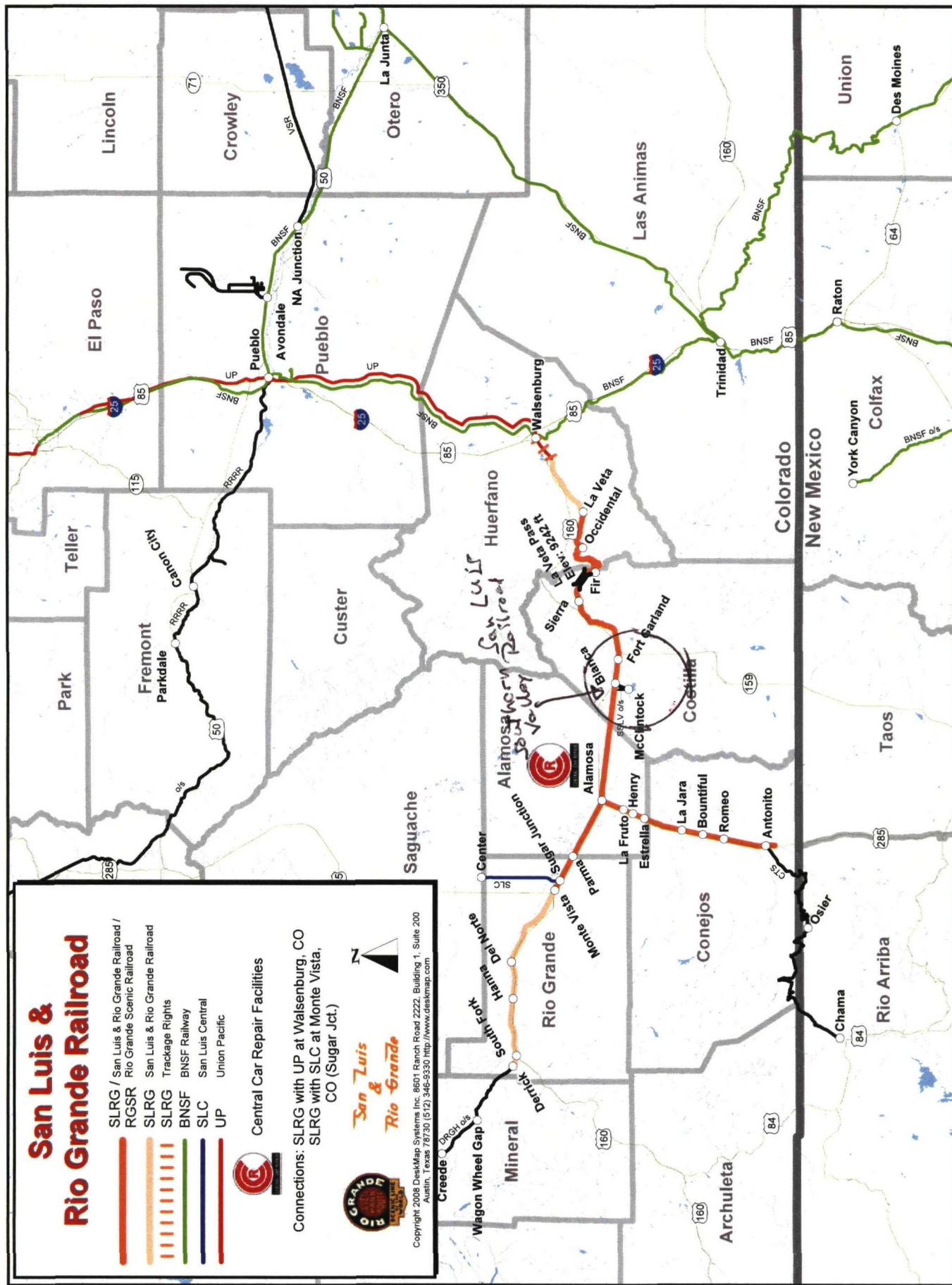


Central Car Repair Facilities

Connections: SLRG with UP at Walsenburg, CO  
SLRG with SLC at Monte Vista, CO (Sugar Jct.)



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Austin, Texas 78730 (512) 346-9330 <http://www.deskmap.com>





# EXHIBIT B

DEC 21 2000

**EMPLOYER STATUS**

**SOUTHERN SAN LUIS VALLEY RAILROAD COMPANY**

This is the determination of the Railroad Retirement Board concerning the continuing status of the Southern San Luis Valley Railroad Company (SSLV) as an employer under the Railroad Retirement Act (45 U.S.C. § 231 et seq.) (RRA) and the Railroad Unemployment Insurance Act (45 U.S.C. § 351 et seq.) (RUIA). SSLV (B.A. No. 3751) was determined to be an employer under the RRA and RUIA effective January 1, 1955.

According to Mr. Allan J. Lang, Director of Taxes and Financial Planning, Hecla Mining Company (owner of SSLV), most of the 25 mile railroad track upon which SSLV operated was removed in the 1980's and SSLV employees were last compensated in 1996. Mr. Lang further stated that SSLV has not operated for at least ten years; and that, although SSLV has not dissolved its corporate structure, it is a shell company only, inactive, with no employees. Ms. Pauline Ellis, Colorado Aggregate Division, Mountain West-Colorado Aggregate, stated that SSLV is in the process of being sold.

Based on the information summarized above, it is determined that the Southern San Luis Valley Railroad ceased to be an employer under the RRA and RUIA as of the close of business on December 31, 1996, the last date of the last year in which employees were compensated.

Original signed by:

Cherryl T. Thomas

V. M. Speakman, Jr.

Jerome F. Kever

# EXHIBIT C

# Southern San Luis Valley Railroad

From Wikipedia, the free encyclopedia

The **Southern San Luis Valley Railroad** is a fallen flag shortline railroad that was located in Southern Colorado. Best known in its final years of operation, it served a connection with the Denver and Rio Grande Western Railroad at Blanca, Colorado.<sup>[1]</sup> The diminutive railroad in its final form was approximately 1.53 miles in length and during its life, freight traffic included farm produce, fertilizer and volcanic scoria (lava rock).<sup>[2]</sup> The railroad, as it was originally built, was 31 miles long and besides freight it operated passenger service between Blanca and Jaroso, Colorado until 1946.<sup>[3]</sup> The Railroad formally ceased all operations December 31, 1996.<sup>[4]</sup>

The original rail line was incorporated July 3, 1909, as the San Luis Southern Railroad. It was a subsidiary of the Costilla Estates Development Company, whose purpose was to develop farm land in Colorado's San Luis Valley.<sup>[5]</sup> The railroad's business model was to serve the developing towns and farms set up by the Costilla Estates Development Company, whose business model was dependent on reservoirs it had built filling up with water for irrigation. The reservoirs have never filled up, owing to inadequate rainfall to fill them. Consequently, Costilla Estates never prospered, nor did the San Luis Southern Railroad. On January 6, 1928, the railroad was purchased out of bankruptcy by Charles Boettcher. He reorganized the line on December 13, 1928 as the San Luis Valley Southern Railway.<sup>[6]</sup> Under Boettcher's leadership, the railroad continued to struggle and its fortunes did not improve substantially.<sup>[7]</sup>

On January 24, 1949, the Boettcher/McLean estates filed a petition before the Interstate Commerce Commission (ICC) to abandon the railroad.<sup>[8]</sup> The abandonment was hotly contested by interests in the San Luis Valley. As the interested parties were fighting over the abandonment, San Luis Valley businessmen S. Yorimoto and W.W. McClintock were making arrangements to purchase the railroad, which happened two weeks before the abandonment hearing were scheduled.<sup>[9]</sup> Between 1949 and 1954 there were various machinations and financial arrangements made to keep the railroad afloat. On September 19, 1952, McClintock filed for abandonment of the railroad, however the ICC only granted a partial abandonment on September 24, 1953.<sup>[10]</sup> McClintock continued to operate the railroad after this ICC decision.<sup>[11]</sup>

McClintock and another San Luis Valley businessman George Oringdulf, decided to reorganize the line and tied up all the railroad's loose ends by purchasing all stock in the company.<sup>[12]</sup> On December 11, 1953, a new company was organized under Colorado law, and on October 22, 1954, it was granted a Colorado State Corporate Charter under the name Southern San Luis Valley Railroad (SSLV).<sup>[13]</sup>

McClintock and Oringdulf knew their two steam locomotive, #105 and #106, both Consolidation types, purchased from the Denver and Rio Grande Western Railroad were too costly to maintain.<sup>[9]</sup> They took the D&RGW steam locomotive tender frame (D&RGW #964) which they had purchased in 1950 and after an abortive attempt at building a locomotive on the tender frame, a successful machine was completed in 1955.<sup>[9]</sup> It was a strange looking locomotive they called the D-500. It rolled on standard locomotive tender trucks which were powered by a sprocket and chain drive. Power was from an International Harvester, 1091 cubic inch, UD24 diesel engine. The power went through a Caterpillar hydraulic transmission, which in turn powered an old Euclid truck axle, which transmitted power through sprockets and chains to the axles.<sup>[12]</sup> The odd locomotive, which resembled a caboose, was built in a cupola style for visibility and to ease the installation of the prime mover. The locomotive was

built by SSLV mechanics in Mesita Colorado.<sup>[14]</sup> All steam trains on the SSLV ceased operating in 1957.<sup>[15]</sup>

By that time the railroads traffic base remained close to Blanca, Colorado, with little traffic originating in Jaroso. On March 15, 1958 the 29 miles of track from McClintock to Jaroso was closed and the rail was sold to the Climax Molybdenum Company.<sup>[16]</sup> What was left of the SSLV was roughly a 2 ½ mile stretch south from Blanca. The railroad served Colorado Aggregates Company at McClintock and the Mizokami lettuce packing plant just north of the McClintock wye track.<sup>[17]</sup> This became the status quo for the railroad until the closing of the Mizokami lettuce plant in the late 1970s and then the subsequent sale of the SSLV to the Hecla Mining Company.

In 1977 the SSLV purchased a second locomotive, a Plymouth ML8 (builder #4161) purchased from Utah Power and Light Company.<sup>[18][19]</sup> The gasoline engine in the locomotive was defective and was removed in 1980 so a Caterpillar diesel engine could be installed in its place. However the swap was never completed and the locomotive sits derelict without an engine.<sup>[20]</sup>

The railroad owned various locomotives over the years. They include: #100 and #101 both Brooks 4-6-0 locomotives, bought used From Lake Shore and Michigan Southern Railway; #102 (2-6-0) built by Baldwin, bought new by the San Luis Southern; #103(DRGW 657), #104(DRGW 633), #105(DRGW 688), and #106(DRGW 683), all C-28's (2-8-0) purchased from the Denver and Rio Grande Western Railroad.<sup>[21]</sup> The railroad also operated a motorcar built by Winter-Weiss in 1924, it was originally numbered the M-3, then renumbered the M300. It sits derelict at the Oklahoma Railroad Museum in Oklahoma City.<sup>[22]</sup> Another piece of SSLV history, steam engine #106, which was restored to its original D&RGW number is on display at the Colorado Railroad Museum.<sup>[23][24]</sup> Since the ICC gave the railroad latitude to remove rail in order to maintain operations in 1953, the owners of the railroad had the sanction to remove rail, thus the railroad was cut back to 1.53 miles from 2 ½ miles in 1959. Some of this track remains in place in 2009. It was reported in railfan internet groups that the SSLV had been sold to the Permian Basin Railroad's San Luis and Rio Grande Railroad in 2007, including the derelict D-500 and Plymouth ML8. In 2008, the SLRG started rebuilding portions of the SSLV trackage for freight car storage and railcar dismantling operations.<sup>[25][26]</sup>

## Contents

- 1 References
- 2 External links
- 3 Bibliography
- 4 Works cited

## References

- ↑ Lewis, Edward A. American Shortline Railway Guide p. 353
- ↑ Ibid
- ↑ Griswold p.104
- ↑ Railroad Retirement Board. Employer Status Southern San Luis Valley Railroad, 2001. Washington, DC: Railroad Retirement Board, 2001. This document shows the date the SSLV ceased to be a legal entity.
- ↑ Griswold p.3
- ↑ Griswold p.56
- ↑ Griswold p.51

8. ^ Griswold p.108, 109
9. ^ *a b c* Griswold p.112
10. ^ Griswold P.115,127
11. ^ Griswold p.116
12. ^ *a b* Griswold p.127
13. ^ Colorado Secretary of State. Articles of Incorporation Southern San Luis Valley Railroad Company, 1953. Denver, CO: Colorado Secretary of State, 1954. Articles of Incorporation Southern San Luis Valley Railroad Company has attached all SSLV corporate filings with the Secretary of State from 1953 to 1987.
14. ^ Ibid
15. ^ Griswold p. 131
16. ^ Ibid
17. ^ Ibid
18. ^ Griswold p. 138
19. ^ Edward, 1996, p. 353
20. ^ Ibid note 16
21. ^ LeMassena
22. ^ The Oklahoma Railway Museum Inc.. "San Louis[Sic] Southern Rail Bus." Miscellaneous Equipment. Oklahoma Railway Museum. 2007. <http://www.oklahomarailwaymuseum.org/HTML%20PAGES/SLVS%20M-300.html> (accessed July 07, 2009).
23. ^ Nute, Donald. "Denver and Rio Grande Western Consolidations." Donald Nute's Steam Locomotive Collection. Private individual. 13 Sept. 2004. [http://trains.nute.ws/2-8-0/D&RGW\\_Consolidations.htm](http://trains.nute.ws/2-8-0/D&RGW_Consolidations.htm) (accessed July 08, 2009). Nute has photographs of D&RGW 683 (ex-SSLV 106) at the Colorado Railroad Museum.
24. ^ Colorado Railroad Museum, "Narrow Gauge and Standard gauge Locomotives." Colorado Railroad Museum Website. Colorado Railroad Museum. 2001. <http://crrm.org/locomotives.htm> (accessed July 08, 2009).
25. ^ Holmes, N D. "Mid Week News Roundup-SLRG Acquires Southern San Luis Valley Railroad." Rio Grande Information. DRGW.Net. 16 Jan. 2008. <http://www.drgw.net/news/searchnews.cgi?dosearch&searchquery=heritage%20unit&linkcompression=10&resultnumber=10&highlight=on&skipnumber=20> (accessed July 07, 2009). Covers railfan news. The sources on this website are sometimes uncited, however there is little reason to doubt the validity of this information, as there is substantial photographic evidence of the SLRG operating on the SSLV.
26. ^ Holmes, N D. "San Luis Valley Southern Railroad." Rio Grande Information DRGW.Net. 7 Oct. 2007. <http://www.drgw.net/info/index.php?n=Main.SanLuisValleySouthern> (accessed July 07, 2009). Uncited work gives brief SSLV history and mentions the SLRG purchase of the SSLV. Photo evidence of SLRG operation is at <http://www.drgw.net/gallery/RebuildingTheSSLV> and <http://www.drgw.net/gallery/SSLVNews16Aug2008>

## External links

- Picture of the D-500
- Rebuilding the SSLV
- (map: [1]),

## Bibliography

Lewis, Edward A. *American Shortline Railway Guide*. Revised 5th Ed. ed. Railroad Reference Series. Vol. 17, Edited by George Drury. Waukesha, WI: Kalmbach Publishing Company, 1996.

Griswold, Phelps R. *Colorado's Loneliest Railroad*. 1980 ed. Denver, CO: Pruett Publishing Company, 1980.

LeMassena, Robert A. *Rio Grande...to the Pacific!*. June 1974 ed. Denver, CO: Sundance Publications Ltd., 1974.

## Works cited

Colorado Secretary of State. *Articles of Incorporation Southern San Luis valley Railroad Company*, 1953. Denver, CO: Colorado Secretary of State, 1954.

Railroad Retirement Board. *Employer Status Southern San Luis Valley Railroad*, 2001. Washington, DC: Railroad Retirement Board, 2001.

Retrieved from "[http://en.wikipedia.org/w/index.php?title=Southern\\_San\\_Luis\\_Valley\\_Railroad&oldid=425226967](http://en.wikipedia.org/w/index.php?title=Southern_San_Luis_Valley_Railroad&oldid=425226967)"

Categories: Defunct Colorado railroads

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## WARRANTY DEED

THIS DEED, made this 24TH day of MAY, 2007, between

**RICHARD VONDRAK**

Of the County of CONEJOS, State of COLORADO, grantor and

**IOWA PACIFIC HOLDINGS LLC, an ILLINOIS LIMITED LIABILITY COMPANY**

Whose legal address is 118 SOUTH CLINTON STREET, SUITE 300, CHICAGO, ILLINOIS 60661 grantee:

**WITNESSETH**, That the grantor for and in consideration of the sum of **TWO HUNDRED THOUSAND DOLLARS and NO/100 (\$200,000.00)**, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm, unto the grantee, his heirs and assigns forever, all the real property together with improvements, if any, situate, lying and being in the County of **COSTILLA** and the State of **COLORADO** described as follows:

**SEE EXHIBIT "A" ATTACHED HERETO.**

Also known as: **29841 CR 12 BLANCA, C0 81123**

**TOGETHER** with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

**TO HAVE AND TO HOLD** the said premises above bargained and described, with the appurtenances, unto the grantee, his heirs and assigns forever. And the grantor, for himself, his heirs, and personal representatives, does covenant, grant, bargain, and agree to and with the grantee, his heirs and assigns, that at the time of the ensembling and delivery of these presents, he is well seized of the premises above conveyed, has good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form as aforesaid, and that the same are free and clear from all former and other grants, bargains, sales liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature whatsoever, except

General taxes for the current year and subsequent years and subject to easements, restrictions, reservations, covenants and rights of way of record, if any.

The grantor shall and will **WARRANT AND FOREVER DEFEND** the above-bargained premises in the quiet and peaceable possession of the grantee, his heirs and assigns, against all and every person or persons lawfully claiming the whole or any part thereof. The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders

**IN WITNESS WHEREOF**, the grantor has executed this deed on the date set forth above.

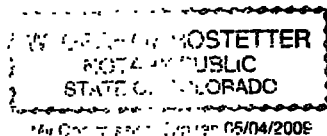
  
\_\_\_\_\_  
**RICHARD VONDRAK**

5-24-07

STATE OF **COLORADO** )  
COUNTY OF **ALAMOSA** ) **SS.**

The foregoing instrument was acknowledged before me this 24TH day of **MAY**, 2007 by **RICHARD VONDRAK**

My commission expires:



  
\_\_\_\_\_  
Notary Public

[SEAL]



EXHIBIT "A"  
LEGAL DESCRIPTION

PARCEL 1:

Lots 12 and 15, Block 106, Town of Blanca, County of Costilla, State of Colorado.

PARCEL 2:

Part of Tracts 28, 29, 35, 36 and 37, of the Trinchera Colony Tracts, according to the map thereof, which lie South and West of the Wye of the Southern San Luis Valley Railroad (formerly the San Luis Valley Southern Railroad) in Section 22, Township 30 South, Range 73 West of the 6<sup>th</sup> P.M., County of Costilla, State of Colorado.

The part included therein being described as follows, to-wit:

From a point 130.6 feet West of the Southeast corner of said Tract 35, which point is on the West right of way line of said Southern San Luis Valley Railroad, run Northerly along West line of said right of way, on a curve to the left with a radius of 435 feet, a distance of 75 feet to the point of beginning of this described tract of land. Thence Northwesterly on a curve to the left with a radius of 453 feet (same being identical with the South leg of the Wye tract of said railroad) a distance of 535 feet to intersect the West boundary of Tract 35, which point is 105 feet South of the Northwest corner of said Tract 35. Thence continuing on the same curve a distance of 26 feet, thence N66°52'W, 353 feet to intersect the West line of Tract 29, at a point 40 feet North of the Southwest corner thereof; thence continuing N66°52'W a distance of 353 feet to intersect the West line of Tract 28, thence South along the West boundary lines of tracts 28 and 37 to a point 275 feet South of the Northwest corner of said Tract 37, thence S66°52'E, 933 feet, more or less, to the point of beginning.

AND

A parcel of land located in Tracts 27, 28, 29, 30, 31, 34, 35 and 36 in the NE1/4 of Section 22, Township 30 South, Range 73 West 6<sup>th</sup> P.M., the Trinchera Colony Tracts, according to the map thereof, Costilla County, Colorado, which parcel is more particularly described by metes and bounds as follows, to-wit: Beginning at the Northwest corner of the parcel herein described whence the North Quarter corner of said Section 22 bears N53°50'W 1300.94 feet distant; thence S66°22'E 1101.76 feet to the Northeast corner of the parcel herein described; thence S17°51'W 98.18 feet to the Southeast corner of the parcel herein described; thence Westerly, 479.7 feet on the arc of a curve to the right with radius 461.2 feet, the chord of which curve is S87°50'W 458.33 feet, along the Northerly limit of the 50 foot wide right of way of the Southern San Luis Valley Railroad Company to the South corner of the parcel herein described; thence N66°32'W 668.80 feet along the Northerly limit of said railroad right of way, and its extension, to the Southwest corner of the parcel herein described; thence N17°52'E 300.60 feet to the place of beginning.

AND

A parcel of land located in Tracts 27, 28, 35, 36, 37 and 38 situated in the NE1/4 of Section 22, Township 30 South, Range 73 West, 6<sup>th</sup> P.M., the Trinchera Colony Tracts, according to the map thereof, Costilla County, Colorado which parcel is more particularly described by metes and bounds as follows, to-wit: Beginning at the Northeast corner of the parcel herein described, whence the North Quarter corner of said Section 22 bears N53°50'W 1300.94 feet distant; thence S89°42'W 395.37 feet to the Northwest corner of the parcel herein described; thence S0°37'W 1201.00 feet along the West line of said Tracts 27 and 38 to the Southwest corner of said Tract 38, which corner is identical with the Southwest corner of the parcel herein described; thence N89°41'E 1189.70 feet along the South line of said Tracts 38, 37, 36 and 35 to its point of intersection with the Westerly limit of the right of way for the Southern San Luis Valley Railroad Company, which point is identical with the Southeast corner of the parcel herein described; thence Northerly, 65.0 feet on the arc

*P.C.*

of a 12-1/2° curve to the left, the chord of which curve is N16°35'E 64.95 feet, along the Westerly limit of said railroad right of way to the Southeast corner of that parcel of land described in Book 162 at Page 147 of the records in the office of the Costilla County Clerk and Recorder; thence N66°32'W 950.90 feet along the southerly line of that parcel of land described in said Book 162 at Page 147 to the Southwest corner thereof; thence N0°38'E 458.55 feet along the West line of said Tracts 37 and 28, identical with the West line of that parcel of land described in said Book 162 at page 147, to its point of intersection with the Northerly limit, extended, of said railroad company's spur track right of way through said Tracts 28 and 29; thence N66°32'W 27.22 feet along the Northerly limit, extended, of said railroad spur track right of way; thence N17°52'E 300.60 feet to the place of beginning.

*RV*

**QUIT CLAIM DEED**

**THIS DEED**, made this **24TH** day of **MAY, 2007**, between

**RICHARD VONDRAK**

of the County of **CONEJOS**, State of **COLORADO**, grantor, and

**IOWA PACIFIC HOLDINGS LLC, an ILLINOIS LIMITED LIABILITY COMPANY**

Whose legal address is **118 SOUTH CLINTON STREET, SUITE 300, CHICAGO, ILLINOIS 60661**, grantee:

**WITNESSETH**, That the grantor for and in consideration of the sum of **TEN AND 00/100 DOLLARS (\$10.00)**, the receipt and sufficiency of which is hereby acknowledged, remised, released, sold and **QUITCLAIMED**, and by these presents does remise, release, sell and **QUITCLAIM**, unto the grantees, their heirs, successors and assigns forever, all the right, title, interest, claim and demand which the grantor has in and to the real property, together with improvements, if any, situate, lying and being in the County of **COSTILLA**, and the State of **COLORADO**, described as follows:

**SEE EXHIBIT "A" ATTACHED HERETO.**

**TOGETHER WITH ALL EASEMENTS OWNED BY THE SOUTHERN SAN LUIS VALLEY RAIL ROAD WITHOUT REPRESENTATION AS TO THE ENFORCEABILITY OF THE EASEMENTS.**

Also known by street and number as: **29841 CR 12 BLANCA, CO 81123**

**TO HAVE AND TO HOLD** the same, together with all and singular the appurtenances and privileges thereunto belonging, or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever of the grantor, either in law or equity, to the only proper use, benefit and behoof of the grantees, their heirs and assigns forever.

The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

**IN WITNESS WHEREOF**, the grantor has executed this deed on the date set forth above.

Richard Vondrak  
RICHARD VONDRAK

5-24-07

STATE OF COLORADO )  
COUNTY OF ALAMOSA ) SS.

The foregoing instrument was acknowledged before me this **24TH** day of **MAY, 2007** by **RICHARD VONDRAK**

My commission expires:

[Signature]  
Notary Public

[SEAL]

A7-232

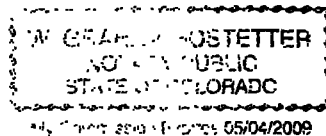


EXHIBIT "A"  
LEGAL DESCRIPTION

**PARCEL 1:**

**Lots 12 and 15, Block 106, Town of Blanca, County of Costilla, State of Colorado.**

**PARCEL 2:**

**Part of Tracts 28, 29, 35, 36 and 37, of the Trinchera Colony Tracts, according to the map thereof, which lie South and West of the Wye of the Southern San Luis Valley Railroad (formerly the San Luis Valley Southern Railroad) in Section 22, Township 30 South, Range 73 West of the 6<sup>th</sup> P.M., County of Costilla, State of Colorado.**

**The part included therein being described as follows, to-wit:**

**From a point 130.6 feet West of the Southeast corner of said Tract 35, which point is on the West right of way line of said Southern San Luis Valley Railroad, run Northerly along West line of said right of way, on a curve to the left with a radius of 435 feet, a distance of 75 feet to the point of beginning of this described tract of land. Thence Northwesterly on a curve to the left with a radius of 453 feet (same being identical with the South leg of the Wye tract of said railroad) a distance of 535 feet to intersect the West boundary of Tract 35, which point is 105 feet South of the Northwest corner of said Tract 35. Thence continuing on the same curve a distance of 26 feet, thence N66°52'W, 353 feet to intersect the West line of Tract 29, at a point 40 feet North of the Southwest corner thereof; thence continuing N66°52'W a distance of 353 feet to intersect the West line of Tract 28, thence South along the West boundary lines of tracts 28 and 37 to a point 275 feet South of the Northwest corner of said Tract 37, thence S66°52'E, 933 feet, more or less, to the point of beginning.**

**AND**

**A parcel of land located in Tracts 27, 28, 29, 30, 31, 34, 35 and 36 in the NE1/4 of Section 22, Township 30 South, Range 73 West 6<sup>th</sup> P.M., the Trinchera Colony Tracts, according to the map thereof, Costilla County, Colorado, which parcel is more particularly described by metes and bounds as follows, to-wit: Beginning at the Northwest corner of the parcel herein described whence the North Quarter corner of said Section 22 bears N53°50'W 1300.94 feet distant; thence S66°22'E 1101.76 feet to the Northeast corner of the parcel herein described; thence S17°51'W 98.18 feet to the Southeast corner of the parcel herein described; thence Westerly, 479.7 feet on the arc of a curve to the right with radius 461.2 feet, the chord of which curve is S87°50'W 458.33 feet, along the Northerly limit of the 50 foot wide right of way of the Southern San Luis Valley Railroad Company to the South corner of the parcel herein described; thence N66°32'W 668.80 feet along the Northerly limit of said railroad right of way, and its extension, to the Southwest corner of the parcel herein described; thence N17°52'E 300.60 feet to the place of beginning.**

**AND**

**A parcel of land located in Tracts 27, 28, 35, 36, 37 and 38 situated in the NE1/4 of Section 22, Township 30 South, Range 73 West, 6<sup>th</sup> P.M., the Trinchera Colony Tracts, according to the map thereof, Costilla County, Colorado which parcel is more particularly described by metes and bounds as follows, to-wit: Beginning at the Northeast corner of the parcel herein described, whence the North Quarter corner of said Section 22 bears N53°50'W 1300.94 feet distant; thence S89°42'W 395.37 feet to the Northwest corner of the parcel herein described; thence S0°37'W 1201.00 feet along the West line of said Tracts 27 and 38 to the Southwest corner of said Tract 38, which corner is identical with the Southwest corner of the parcel herein described; thence N89°41'E 1189.70 feet along the South line of said Tracts 38, 37, 36 and 35 to its point of intersection with the Westerly limit of the right of way for the Southern San Luis Valley Railroad Company, which point is identical with the Southeast corner of the parcel herein described; thence Northerly, 65.0 feet on the arc**

of a 12-1/2° curve to the left, the chord of which curve is N16°35'E 64.95 feet, along the Westerly limit of said railroad right of way to the Southeast corner of that parcel of land described in Book 162 at Page 147 of the records in the office of the Costilla County Clerk and Recorder; thence N66°32'W 950.90 feet along the southerly line of that parcel of land described in said Book 162 at Page 147 to the Southwest corner thereof; thence N0°38'E 458.55 feet along the West line of said Tracts 37 and 28, identical with the West line of that parcel of land described in said Book 162 at page 147, to its point of intersection with the Northerly limit, extended, of said railroad company's spur track right of way through said Tracts 28 and 29; thence N66°32'W 27.22 feet along the Northerly limit, extended, of said railroad spur track right of way; thence N17°52'E 300.60 feet to the place of beginning.

*A. 67*

**DEED OF TRUST**  
(Due on Transfer -- Strict)

THIS DEED OF TRUST is made this 24<sup>th</sup> day of May, 2007, between Iowa Pacific Holdings, LLC, an Illinois Limited Liability Company, (Borrower), whose address is 118 South Clinton Street, Suite 300, Chicago, Illinois 60661; and the Public Trustee of the County in which the Property (see paragraph 1) is situated (Trustee); for the benefit of Richard Vondrak, (Lender), whose address is P.O. Box 8, Conejos, Colorado 81129.

Borrower and Lender covenant and agree as follows:

**1. Property in Trust.** Borrower, in consideration of the indebtedness herein recited and the trust herein created, hereby grants and conveys to Trustee in trust, with power of sale, the following described property located in the County of Costilla, State of Colorado:

All that property described on Exhibit A, attached hereto and incorporated as if fully set forth herein.

which has the address of 29841 CR 12 Blanco, CO 81123 (Property address),  
(City, State, ZIP Code)  
together with all its appurtenances (Property).

**2. Note; Other Obligations Secured.** This Deed of Trust is given to secure to Lender:

A. the repayment of the indebtedness evidenced by Borrower's note (Note) dated May 24, 2007, in the principal sum of One Hundred Fifty Nine Thousand U.S. Dollars (\$159,000.00), with interest on the unpaid principal balance at the rate of zero (0%) percent per annum, with principal and interest payable at P.O. Box 8, Conejos, Colorado 81129, or such other place as the Lender may designate, in three (3) payments of Forty Thousand Dollars (U.S. \$40,000.00) due on the 24th day of each month beginning June 24, 2007; and a final fourth payment of Thirty Nine Thousand (\$39,000.00) +/- due and payable on September 24, 2007; however, if not sooner paid, the entire principal amount outstanding and accrued interest thereon, shall be due and payable on September 24, 2007.

and Borrower is to pay to Lender a late charge of five (5%) of any payment not received by the Lender within five (5) days after payment is due, and Borrower has the right to prepay the principal amount outstanding under said Note, in whole or in part, subject to the provisions set forth in the Note

B. the payment of all other sums, with interest thereon at twelve percent (12%) per annum, disbursed by Lender in accordance with this Deed of Trust to protect the security of this Deed of Trust, and

C. the performance of the covenants and agreements of Borrower herein contained

**3. Title.** Borrower covenants that Borrower owns and has the right to grant and convey the Property, and warrants title to the same, subject to general real estate taxes for the current year, easements of record or in existence, and recorded declarations, restrictions, reservations and covenants, if any, as of this date.

**4. Payment of Principal and Interest.** Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, and late charges as provided in the Note and shall perform all of Borrower's other covenants contained in the Note

**5. Application of Payments.** All payments received by Lender under the terms hereof shall be applied by Lender first in payment of amounts due pursuant to paragraph 23 (Escrow Funds for Taxes and Insurance), then to amounts disbursed by Lender pursuant to paragraph 9 (Protection of Lender's Security), and the balance in accordance with the terms and conditions of the Note.

**6. Prior Mortgages and Deeds of Trust; Charges; Liens.** Borrower shall perform all of Borrower's obligations under any prior deed of trust and any other prior liens. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may have or attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any, in the manner set out in paragraph 23 (Escrow Funds for Taxes and Insurance) or, if not required to be paid in such manner, by Borrower making payment when due, directly to the payee thereof. Despite the foregoing, Borrower shall not be required to make payments otherwise required by this paragraph if Borrower, after notice to Lender, shall in good faith contest such obligation by, or defend enforcement of such

holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills. Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Deed of Trust.

If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments and insurance premiums as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within 30 days from the date notice is given in accordance with paragraph 16 (Notice) by Lender to Borrower requesting payment thereof. Provided however, if the loan secured by this Deed of Trust is subject to RESPA or other laws regulating Escrow Accounts, such deficiency, surplus or any other required adjustment shall be paid, credited or adjusted in compliance with such applicable laws.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall simultaneously refund to Borrower any Funds held by Lender. If under paragraph 18 (Acceleration; Foreclosure, Other Remedies) the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, whichever occurs first, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of Trust.

**24. Transfer of the Property; Assumption.** The following events shall be referred to herein as a "Transfer": (i) a transfer or conveyance of title (or any portion thereof, legal or equitable) of the Property (or any part thereof or interest therein), (ii) the execution of a contract or agreement creating a right to title (or any portion thereof, legal or equitable) in the Property (or any part thereof or interest therein), (iii) or an agreement granting a possessory right in the Property (or any portion thereof), in excess of three (3) years, (iv) a sale or transfer of, or the execution of a contract or agreement creating a right to acquire or receive, more than fifty percent (50%) of the controlling interest or more than fifty percent (50%) of the beneficial interest in the Borrower, (v) the reorganization, liquidation or dissolution of the Borrower. Not to be included as a Transfer are (i) the creation of a lien or encumbrance subordinate to this Deed of Trust, (ii) the creation of a purchase money security interest for household appliances, or (iii) a transfer by devise, descent or by operation of the law upon the death of a joint tenant. At the election of Lender, in the event of each and every transfer

(a) All sums secured by this Deed of Trust shall become immediately due and payable (Acceleration).

(b) If a Transfer occurs and should Lender not exercise Lender's option pursuant to this paragraph 24 to Accelerate, Transferee shall be deemed to have assumed all of the obligations of Borrower under this Deed of Trust including all sums secured hereby whether or not the instrument evidencing such conveyance, contract or grant expressly so provides. This covenant shall run with the Property and remain in full force and effect until said sums are paid in full. The Lender may without notice to the Borrower deal with Transferee in the same manner as with the Borrower with reference to said sums including the payment or credit to Transferee of undisbursed reserve Funds on payment in full of said sums, without in any way altering or discharging the Borrower's liability hereunder for the obligations hereby secured.

(c) Should Lender not elect to Accelerate upon the occurrence of such Transfer then, subject to (b) above, the mere fact of a lapse of time or the acceptance of payment subsequent to any of such events, whether or not Lender had actual or constructive notice of such Transfer, shall not be deemed a waiver of Lender's right to make such election nor shall Lender be estopped therefrom by virtue thereof. The issuance on behalf of the Lender of a routine statement showing the status of the loan, whether or not Lender had actual or constructive notice of such Transfer, shall not be a waiver or estoppel of Lender's said rights.

**25. Borrower's Copy.** Borrower acknowledges receipt of a copy of the Note and this Deed of Trust.

**EXECUTED BY BORROWER**

Iowa Pacific Holdings, LLC, an Illinois Limited  
Liability Company

By 

Title President

STATE OF COLORADO

County of El Paso ss.

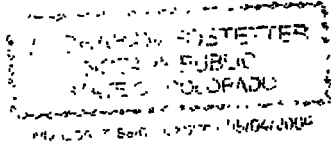
The foregoing instrument was acknowledged before me this 24th day May, 2007, by Ed Ellis  
as: President, P. M. M. M. of Iowa Pacific Holdings, LLC, an Illinois Limited Liability Company.

Witness my hand and official seal

My commission expires. \_\_\_\_\_

[Signature]  
Notary Public

Address \_\_\_\_\_







limit of said railroad right of way, and its extension, to the Southwest corner of the parcel herein described; thence N17°52'E 300.60 feet to the place of beginning.

AND

A parcel of land located in Tracts 27, 28, 35, 36, 37 and 38 situated in the NE1/4 of Section 22, Township 30 South, Range 73 West, 6<sup>th</sup> P.M., the Trinchera Colony Tracts, according to the map thereof, Costilla County, Colorado which parcel is more particularly described by metes and bounds as follows, to-wit: Beginning at the Northeast corner of the parcel herein described, whence the North Quarter corner of said Section 22 bears N53°50'W 1300.94 feet distant; thence S89°42'W 395.37 feet to the Northwest corner of the parcel herein described; thence S0°37'W 1201.00 feet along the West line of said Tracts 27 and 38 to the Southwest corner of said Tract 38, which corner is identical with the Southwest corner of the parcel herein described; thence N89°41'E 1189.70 feet along the South line of said Tracts 38, 37, 36 and 35 to its point of intersection with the Westerly limit of the right of way for the Southern San Luis Valley Railroad Company, which point is identical with the Southeast corner of the parcel herein described; thence Northerly, 65.0 feet on the arc of a 12-1/2° curve to the left, the chord of which curve is N16°35'E 64.95 feet, along the Westerly limit of said railroad right of way to the Southeast corner of that parcel of land described in Book 162 at Page 147 of the records in the office of the Costilla County Clerk and Recorder; thence N66°32'W 950.90 feet along the southerly line of that parcel of land described in said Book 162 at Page 147 to the Southwest corner thereof; thence N0°38'E 458.55 feet along the West line of said Tracts 37 and 28, identical with the West line of that parcel of land described in said Book 162 at page 147, to its point of intersection with the Northerly limit, extended, of said railroad company's spur track right of way through said Tracts 28 and 29; thence N66°32'W 27.22 feet along the Northerly limit, extended, of said railroad spur track right of way; thence N17°52'E 300.60 feet to the place of beginning.

EXHIBIT "A"  
LEGAL DESCRIPTION

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**Lots 12 and 15, Block 106, Town of Blanca, County of Costilla, State of Colorado.**

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*End*

limit of said railroad right of way, and its extension, to the Southwest corner of the parcel herein described; thence N17°52'E 300.60 feet to the place of beginning.

AND

A parcel of land located in Tracts 27, 28, 35, 36, 37 and 38 situated in the NE1/4 of Section 22, Township 30 South, Range 73 West, 6<sup>th</sup> P.M., the Trinchera Colony Tracts, according to the map thereof, Costilla County, Colorado which parcel is more particularly described by metes and bounds as follows, to-wit: Beginning at the Northeast corner of the parcel herein described, whence the North Quarter corner of said Section 22 bears N53°50'W 1300.94 feet distant; thence S89°42'W 395.37 feet to the Northwest corner of the parcel herein described; thence S0°37'W 1201.00 feet along the West line of said Tracts 27 and 38 to the Southwest corner of said Tract 38, which corner is identical with the Southwest corner of the parcel herein described; thence N89°41'E 1189.70 feet along the South line of said Tracts 38, 37, 36 and 35 to its point of intersection with the Westerly limit of the right of way for the Southern San Luis Valley Railroad Company, which point is identical with the Southeast corner of the parcel herein described; thence Northerly, 65.0 feet on the arc of a 12-1/2° curve to the left, the chord of which curve is N16°35'E 64.95 feet, along the Westerly limit of said railroad right of way to the Southeast corner of that parcel of land described in Book 162 at Page 147 of the records in the office of the Costilla County Clerk and Recorder; thence N66°32'W 950.90 feet along the southerly line of that parcel of land described in said Book 162 at Page 147 to the Southwest corner thereof; thence N0°38'E 458.55 feet along the West line of said Tracts 37 and 28, identical with the West line of that parcel of land described in said Book 162 at page 147, to its point of intersection with the Northerly limit, extended, of said railroad company's spur track right of way through said Tracts 28 and 29; thence N66°32'W 27.22 feet along the Northerly limit, extended, of said railroad spur track right of way; thence N17°52'E 300.60 feet to the place of beginning.

*lll*

Exhibit E

***Certification***

I, Edwin E. Ellis, certify that I am President of Southern San Luis Valley Railroad and that applicant's projected revenues will not exceed \$5 million annually and will not result in the applicant becoming a Class I or Class II carrier under the provisions of 49 CFR 1201(1-1).

Dated: January 11, 2012

  
\_\_\_\_\_  
Signature

## **EXHIBIT F**

### **BEFORE THE SURFACE TRANSPORTATION BOARD**

**FD 35586**

#### **SOUTHERN SAN LUIS VALLEY RAILROAD, LLC —ACQUISITION AND OPERATION EXEMPTION—**

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#### **VERIFIED NOTICE OF EXEMPTION PURSUANT TO 49 U.S.C. §10901 and 49 CFR §1150.31**

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Southern San Luis Valley Railroad, LLC (“SSLV”), a limited liability company and noncarrier, files this Notice of Exemption, pursuant to 49 C.F.R. Part 1150, Subpart D – Exempt Transactions, with the Surface Transportation Board (the “Board”) to permit it to acquire and restore to common carrier operation about 1.53 miles of dormant but unabandoned railroad track (“the Line”). The real estate comprising the Line is presently is owned by Iowa Pacific Holdings, LLC (“IPH”), a short line railroad that indirectly owns SSLV and will be transferring the Line to SSLV in the very near future.<sup>1</sup> The Line extends between a currently out of service connection with the IPH affiliate San Luis & Rio Grande Railroad (“SLRG”) at MP 0.0 at Blanca, CO, and the Line’s terminus at MP 1.53 at McClintock, CO.

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<sup>1</sup> The track is still owned by Richard Vrondack, an individual who formerly owned the right of way. SSLV will acquire the track material from him.

SSLV certifies that its projected annual revenues as a result of this transaction would not exceed those that would qualify it as a Class III rail carrier and further certifies that its projected annual revenues will not exceed \$5 million.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. §10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than January \_\_, 2011 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to FD 35586, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on John D. Heffner, Esq., Strasburger & Price, 1700 K Street, N.W. – Suite 640, Washington, D.C. 20006, Telephone: (202) 742-8607 counsel for SSLV.

Board decisions and notices are available on our website at  
[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).

Decided:

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

## VERIFICATION

STATE OF Illinois) )  
CITY OF Chicago) ss

Edwin E. Ellis, being duly sworn according to law, hereby deposes and states that (s)he holds the position of President with applicant/petitioner (respondent), is authorized to make this Verification, has read the foregoing document, and knows the facts asserted therein are true and accurate as stated, to the best of (her) his knowledge, information, and belief.



Subscribed to and sworn to before me, a Notary Public, in and for the City of Chicago in the State of Illinois, this 11th day of January, 2012.

  
Notary Public

My commission expires: Jan 13, 2013

